

Mr. Roger W. Jones
Assistant Director for
Legislative Reference
Bureau of the Budget
Washington 25, D. C.

Dear Mr. Jones:

We have carefully reviewed the draft of the Overseas Allowances Act of 1955 and its attachments which you forwarded for comment on 22 June 1955. As stated in Mr. Pforzheimer's letter to you of 25 January 1955, CIA approves and endorses this legislation on the understanding that it in no way overrides or impairs the general authorities granted to the Agency under the CIA Act of 1949, as amended.

One specific problem arises out of the proposed repeal of Section 901 of the Foreign Service Act of 1946, as proposed in Section 411(2) of the draft bill. This problem is caused by the fact that Section 5(b) of the CIA Act of 1949 authorizes the Director of Central Intelligence to grant to any officer or employee of the Agency certain allowances in accordance with the provisions

of Section 901(1) and 901(2) of the Foreign Service Act of 1946. It is my understanding that the Department of State is opposed to repealing Section 901 of the Foreign Service Act of 1946, as amended. If it is determined that Section 901 is not to be repealed by the Overseas Allowances Act of 1955, then it is requested that the Overseas Allowances Act as submitted to the Congress contain a provision in Title IV amending Section 5(b) of the CIA Act of 1949 by the insertion of a comma after the date "1946" and the insertion of the words "as amended", thus the Section will read:

(" (b) In accordance with such regulations as the President may prescribe and notwithstanding the provisions of section 1765 of the Revised Statutes (5 U.S.C. 70), the Director is authorized to grant to any officer or employee of the Agency allowances in accordance with the provisions of Section 901(1) and 901(2) of the Foreign Service Act of 1946, as amended. "

• We consider this amendment necessary because of the large number of CIA employees overseas who are specifically administered in accordance with the standards set up by the Foreign Service Act and on the same basis as members of the Foreign Service itself.